



**Corporate Responsibility  
and Sustainability**

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# Corporate Responsibility is about how a business aligns its values and behaviours with the expectations and needs of its stakeholders.

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## **CORPORATE RESPONSIBILITY AND SUSTAINABILITY**

For Barhale, stakeholders would include clients, employees, suppliers and the local communities where we undertake our activities.

It is also about Barhale's contribution towards achieving a sustainable society.

Sustainability means us being commercially successful by winning work, delivering it on time and to budget and to a satisfied client.

Therefore for Barhale, Corporate Responsibility & Sustainability is the framework we will use to develop and deliver our products and services in a sustainable and responsible manner. This can be summarised as follows:

- Providing a safe and healthy environment for our team, clients and the neighbourhoods in which we work.
- Ensuring environmental protection, conserving natural resources, minimising waste and reducing our carbon footprint
- Promoting the equal rights of all our employees and respecting their diversity
- Caring for our clients, suppliers and subcontractors by treating them with integrity in a fair and just manner.
- Participating with and supporting local communities in whose areas we work.
- Delivering services of the highest quality and value with pride.

## **WHAT CORPORATE RESPONSIBILITY AND SUSTAINABILITY MEANS TO BARHALE CONSTRUCTION PLC**

It means working to our Vision, Mission and Values:

### **OUR VISION**

To be recognised as the best by our customers, our people, our suppliers and the community in which we operate.

### **OUR MISSION**

Our Mission is to deliver best in class performance against our Three Pillar objectives for Profit, Safety and Environment.

To achieve this we:

- Understand and deliver our customers' needs
- Continuously seek ways to improve
- Believe that each of us can make a difference
- We share our success with our customers, our people and our environment.

At Barhale we are a customer facing company with Safety and Environment at the very forefront of our business.



### OUR VALUES

- We put **safety** at the top of every agenda
- Good **communication** is important in everything we do
- We are focused on providing a high **quality** service
- We enjoy an excellent *teamspirit*
- We adopt a **caring** approach towards people and our environment
- We take **pride** in what we do
- Our relationships are based on **trust** and **integrity**

Our Vision, Mission and Values are complimented by our Three Pillars of Sustainability.

### OUR THREE PILLAR PHILOSOPHY

At Barhale we are a customer facing company with Safety and Environment at the very forefront of our business.

Over the past three years, we have increasingly focused on our approach to business sustainability, managed through 3 key deliverables that are underpinned by our People.

All three encompass the essential components of a successful business and were developed in consultation with key clients to meet our customers' business objectives of receiving a high quality, sustainable product through safe and efficient working based on driving up performance.

We call this our 'Three Pillars of Profit, Safety and Environment – underpinned by our People'.

These Pillars are used as our benchmark for Key Performance Indicators across our business to measure the success and identify areas for improvement.

Our Three Pillar sustainability strategy brings together the synergy of an integrated management system where our achievement of ISO9001, ISO14001 and OHSAS 18001 provides common systems and business benefits.



## CHAIRMAN'S STATEMENT

At Barhale we have built an enviable reputation as one of the UK's leading civil engineering contractors.

That reputation is built around people, everyone who shares our passion to be the best. Our large directly-employed workforce is our core strength, but I do not hesitate in including long-standing clients and other industry partners; as I know we all share the same passion to be the best.

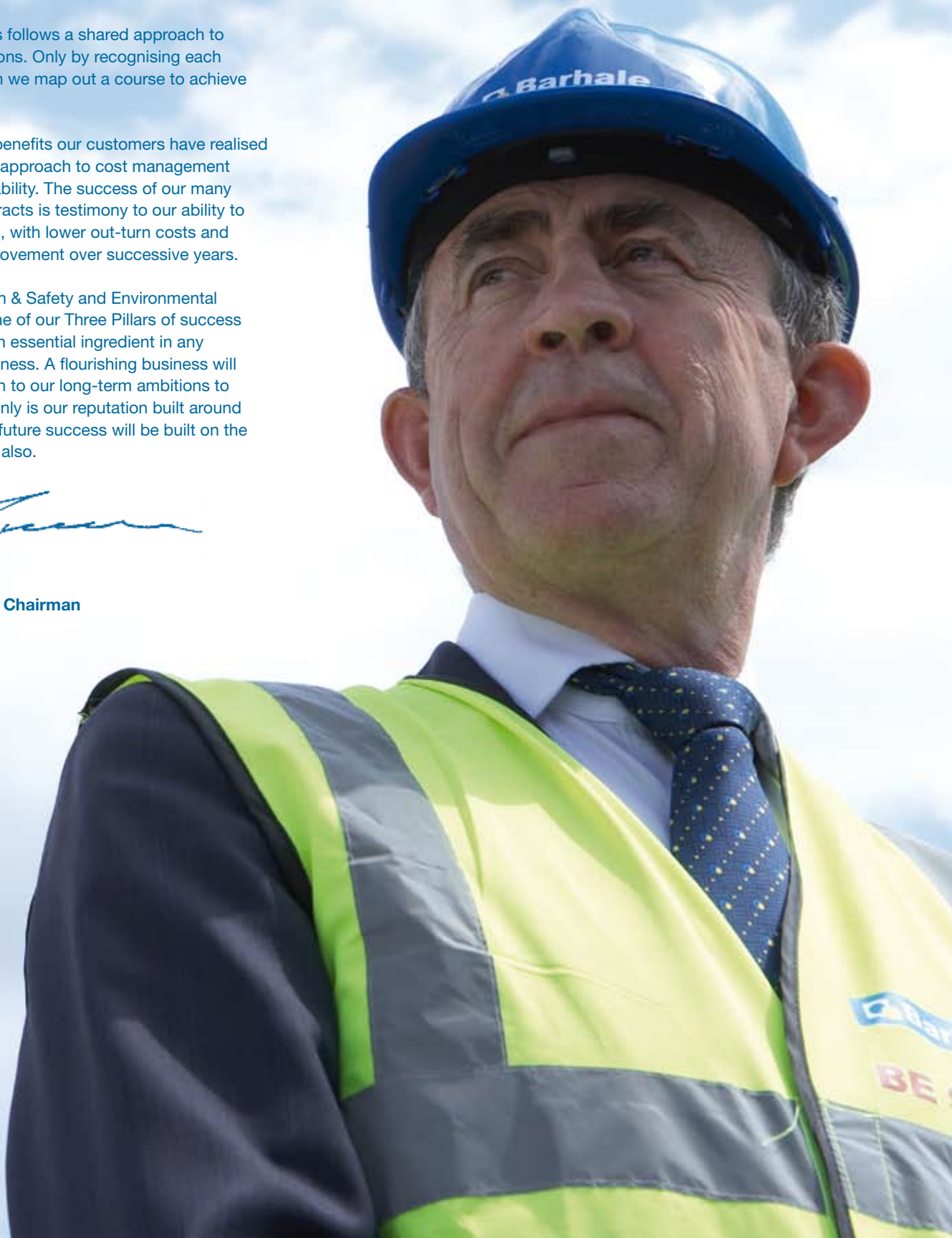
Sharing success follows a shared approach to delivering solutions. Only by recognising each others goals can we map out a course to achieve them.

One of the key benefits our customers have realised is our collective approach to cost management and financial stability. The success of our many framework contracts is testimony to our ability to deliver solutions, with lower out-turn costs and continuous improvement over successive years.

Alongside Health & Safety and Environmental performance, one of our Three Pillars of success is Profitability, an essential ingredient in any sustainable business. A flourishing business will guarantee a path to our long-term ambitions to show that, not only is our reputation built around our people, our future success will be built on the same principles also.



**Dennis Curran, Chairman**



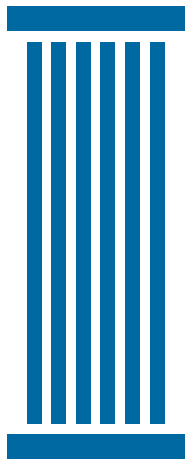
# 3 Pillar Examples of Corporate Responsibility and Sustainability

## Stakeholders

- Local sponsorship • Joint Ventures
- Client expectations • Alliances • Working in the Community
- Supply chain Ethics & Values

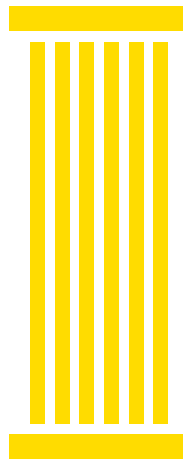


### Profit



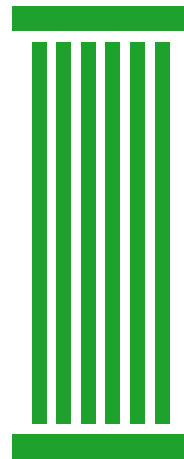
- Corporate Risk
- Profitability
- Commercial Management
- Management Systems & Certification

### Safety



- Occupational Health & Safety
- Risk Management
- Preventing Accidents
- Meeting Legislation and Regulation

### Environment



- Pollution Prevention
- Carbon Footprint
- Resource Efficiency & Waste Minimisation
- Ecological enhancement and protection
- Training & Development

## People

- Training and Development • Equality and Diversity
- Investors in People

## CORPORATE RESPONSIBILITY AND SUSTAINABILITY HIGHLIGHTS FROM 2008

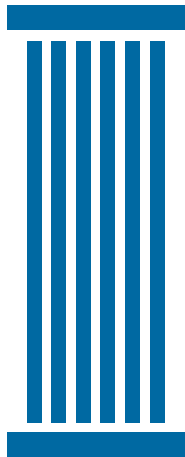
The diagrams present in a simplified way what Barhale sees as its key corporate responsibility and sustainability issues against the Three Pillars and our 2008 highlights.

### Stakeholders

- Considerate Constructors Scheme - 1 gold, 2 silver, 3 bronze
- 5% of Profit to local communities
- NCE / CECA - Medium sized Contractor of the Year Award – Runner up
- Anglian Water Business Excellence Award

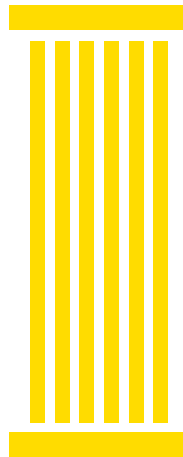


#### Profit



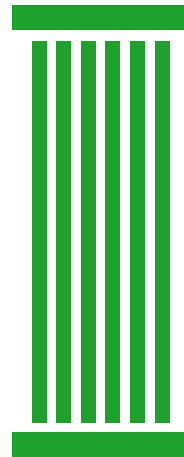
- Turnover growth of 7% on the previous year
- Gross profit increased by 12%
- Investment of £1.9m in plant and machinery
- Order book 16% higher than previous year

#### Safety



- 12% reduction in minor injuries
- Exceed target for reducing utility strikes by 65%
- Lowest All Accident Frequency Rate for 5 years
- 6300 Near Misses Reported
- Driver Safety Programme Completed

#### Environment



- Zero category 1&2 incidents
- 55% of ALL employees with Environmental Awareness Training
- Over 1000 Near Misses Reported
- One Tree per employee planted
- 75% of waste reused or recycled

### People

- 79% of employees directly employed
- 1.7 training days per person
- Times Top 100 Companies – “One to Watch”

# Health and Safety



Our primary aim is maintaining and further developing a first class safety and environmental culture within Barhale. This is driven by our goal for Zero accidents, injuries and environmental incidents which is supported by our step change improvement programme.

We are focused on developing a positive and proactive culture, not only for our own people, but also for our suppliers and sub-contractors.

# Health and Safety is at the heart of all we do, it is the first of our eight values and is at the top of our board and management meetings.

## HEALTH AND SAFETY

We have focused our improvement programme in the following eight key areas:

- Management & Leadership
- Managing Risk
- Working with Employees
- Working with our Suppliers & Sub-Contractors
- Setting Plans and Targets
- Having Effective Procedures & Guidance
- Reporting, Reviewing & Investigating
- Effective Assurance via Auditing

We are not satisfied with mediocrity and we want to achieve and maintain our goal of zero accidents and world class health and safety performance.

Our performance is rigidly monitored on a monthly basis through the Safety Pillar measures which are an integral part of our Three Pillar strategy and provide a vehicle for monitoring continuous improvement throughout the business.

Our Safety Pillar performance for 2008 is summarised in the table below. The step-change strategy was introduced in mid 2008 and is seen as a rolling programme of initiatives and projects to deliver sustainable improvements across the whole spectrum of health and safety.

Enabling Objective	Measure	Target 2008	Performance	
Accident Reduction	YTD AFR	0	0.32	Room for improvement
	Rolling all accident AFR	3.5	4.04	Room for improvement
	m of Trench per utility strike	900	1493	On Target
	Rolling Accident Incident Rate	8	12.77	Room for improvement
Improve the level of Competency of the workforce	% of project, contract and site managers with CITB 5 Day training	90%	71	Room for improvement
	% of employees with appropriate CSCS card	85%	74	Room for improvement
	% of employees time spent on H&S training	1%	0.78	Room for improvement
Enhancing our Safety Culture	Senior Management Inspections per 100,000 hours worked	25	32	On Target
	Near misses received per 100,000 hours worked	75	226	On Target
	% of Near Misses captured by operatives	65%	62.2	Satisfactory

Room for improvement
  Satisfactory
  On Target

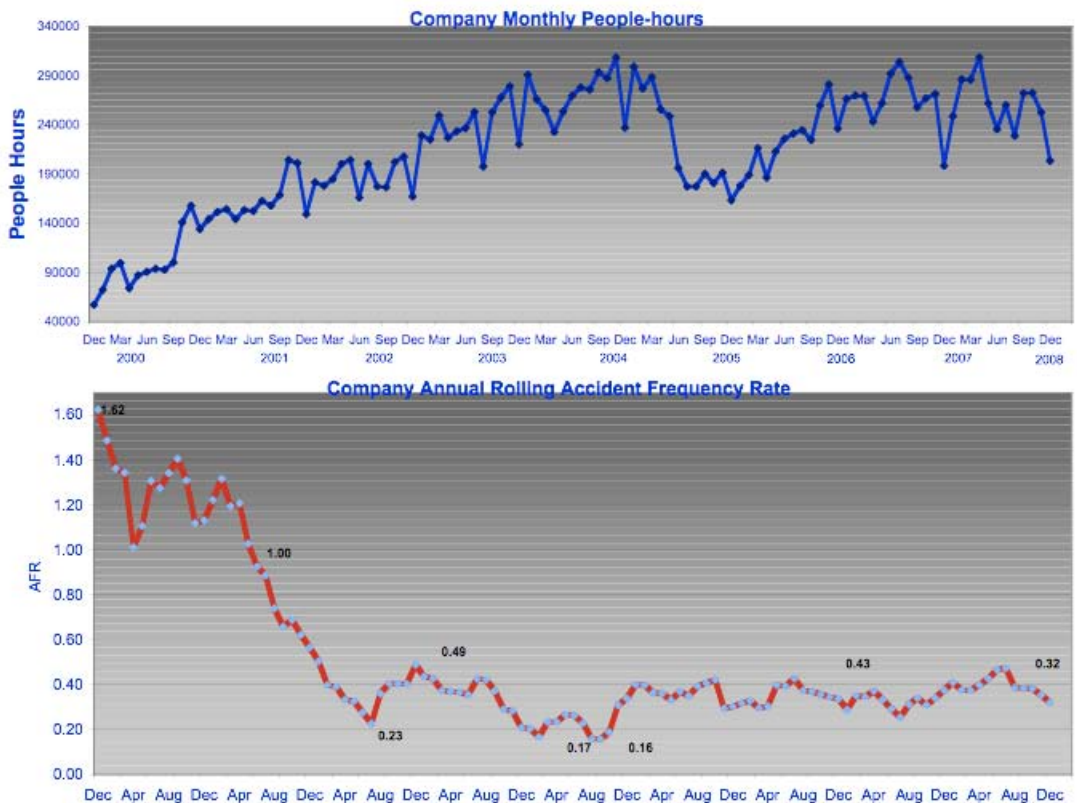
The business achieved a 12% reduction in minor injuries in 2008 compared to 2007.



Our main focus is to achieve our aspiration of zero accidents and incidents as reflected in our Accident Frequency Rate (AFR). Our performance over the past decade is shown in the graph below. This shows how performance has reached a plateau over the past few years and, although at 0.32 at the end of the year is ahead of the industry average of approximately 0.5, we decided we had to make a step change to achieve best in class. A score of 0.1 or less is seen as “what good looks like” and is moving to “world class status”. The accompanying

graph shows the comparative growth of the business reflected in hours worked.

Although not achieving our aspirational target of zero accidents, the year end “All accident AFR” at 4.04 represented the lowest year end figure since the business commenced tracking this data in 2003. The business also achieved a 12% reduction in minor injuries in 2008 compared to 2007.

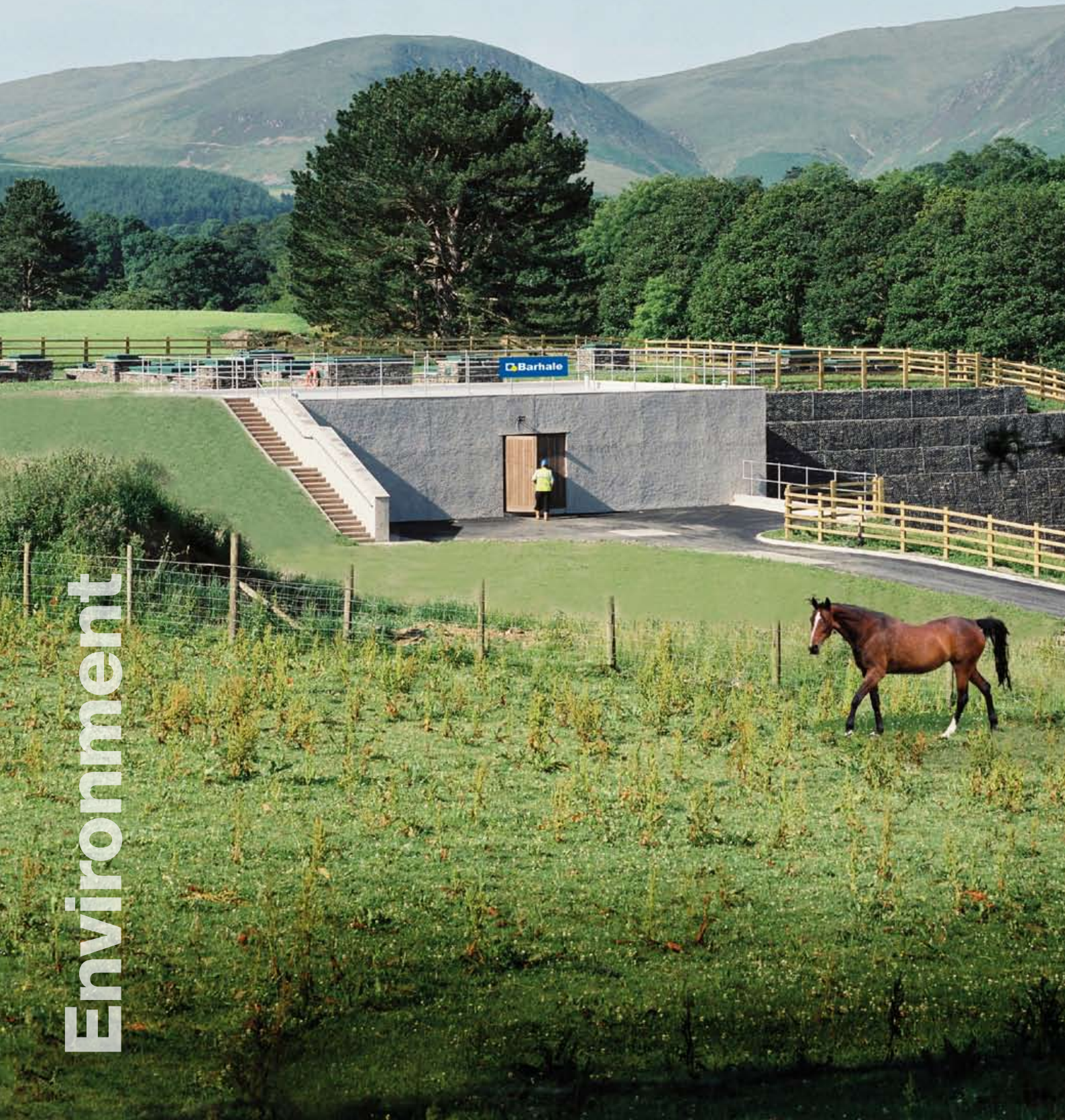




We are committed to reducing the environmental impact of our operations with an active programme aimed at zero incidents.

We have also set ourselves a target of 10% year-on-year reduction of our carbon footprint. We are achieving our measurable goal of waste-reduction and the use of re-cycled materials: on some sites by a significant margin. Our trenchless techniques minimise the use of quarried products and disposal of waste to landfill with the impact these have on wildlife habitats and local communities.

# Environment



# We actively pursue engineering solutions that benefit the environment and we have implemented a large range of construction-based innovative products and techniques to help us achieve our goals.



Many of these products are now available on the open market and, in their own way, are helping our industry deliver improved service in other sectors.

Our Environmental performance is a key component of our Three Pillar sustainability strategy. Indeed, much of the work we carry out is delivering projects that are designed to improve the environment and protect our community.

We therefore have a vested interest in environmental responsibility and as such during the design, planning, construction and operation of projects, we are dedicated to ensuring that our activities are conducted in a manner that achieves and maintains the highest environmental standards.

To support this, we have maintained our externally certified environmental management system to ISO14001 since 2003.

Fundamentally, we are proud to be active in sectors of the construction industry that deliver improvements to the environment for our clients and their customers. Better water quality, waste management and improved public transport each provide real benefits to society. The results of our efforts are rewarding in so many different ways.

A summary of our performance against the targets set in our Environmental Pillar for 2008 are listed in the table below:

Enabling Objective	Measure	Target 2008	Performance	
Minimise Pollution Incidents	Number of Category 1 or 2 incidents per million turnover	0	0	On Target
	No of Category 3 or 4 (near misses) incidents per £million turnover	4	7	Satisfactory
Reduce our Carbon Footprint	Monthly fuel use as kg of CO2 generated per £100,000 turnover	7400	8000	Room for improvement
Understand our impact on the local community	Average score on Considerate Constructors Scheme	33.5	34	On Target
Contribute to profit from Environmental initiatives	Revenue from environmental initiatives as % of turnover	0.25%	0.27%	On Target
Increase Awareness of Environmental issues throughout the Company	% of delegates who having attended company environmental awareness courses within 3 years	50%	55%	On Target
Reduce waste to final disposal	% of waste diverted from landfill	50%	75%	On Target
Increase use of Recycled Materials	Recycled aggregates as % of total aggregates purchased (by £)	25%	30%	On Target

Room for improvement
  Satisfactory
  On Target

# Our carbon footprint from fuel in vehicles was almost 30% less compared to 2006.

Our carbon footprint from fuel in vehicles was almost 30% less compared to 2006. However, fuel used in site plant and equipment has increased by the same margin. To tackle fuel use on site we will focus our efforts at project planning and operational set up. For example, there are new site cabins on the market that use either gas or photovoltaics, and we are currently reviewing some of these as opportunities to reduce our fuel use on site where reductions of over 10% of total site fuel emissions can be achieved.

Since 2006 we have been utilising near miss reporting as a tool to both minimise pollution and as an indicator of environmental awareness. 2008 was our most successful year to date with 1030 reported. By analysing our near misses we have identified that over 300 potential small spills and leaks were coming from equipment and plant. Consequently we have made it compulsory to use spill containment on all items such as generators, compressors and pumps. We also require all oil hoses and fittings to be examined weekly.

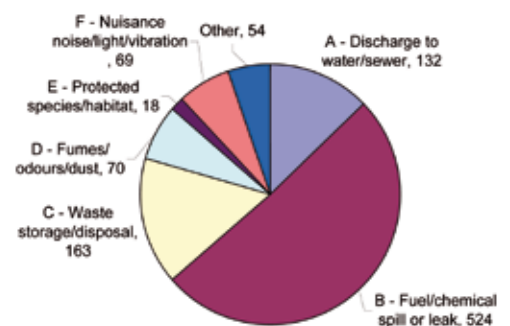
Training and awareness is crucial to bring about performance improvements. In house training was delivered to over 350 employees in 2008 (over 30% of our workforce) and significantly up on the 250 employees attending training during 2007.

The introduction of Site Waste Management Plans has had a positive effect on our management of waste with almost 75% of the waste we generate is reused or recycled. Although a relatively new initiative this focus on waste should allow us to demonstrate compliance and our commitment to the WRAP Halving Waste to Landfill to which we are

a signatory. Recycling is achieved through effective site waste management. We also utilise our own excavation arisings, for example treating them with binding additives to form engineering fill for highway reinstatements.

We intend to further stretch all of our 2008 targets by 10% for 2009 to further drive environmental benefits.

## Barhale incidents and near misses 2008





# People

Our most valuable asset is our people and their welfare and development is key to our success. From the site to the office, they are the foundation of everything we achieve and underpin our Three Pillar philosophy.

Our policy of direct employment guarantees a skilled and stable workforce. Our experienced site teams can also call on a supply chain of loyal and committed subcontractors to provide specialist skills whenever needed.

Working for Barhale is not just a job, but a career. We develop our people through training, coaching and planned work experience allowing us to promote from within wherever possible.



INVESTOR IN PEOPLE



### INVESTOR IN PEOPLE

We are an accredited Investor in People and wholeheartedly believe in the scheme. It is central to our HR policy providing programmes which relate skills and accreditation to personal development. This supports continued learning for all our people, providing a platform for long term careers within the industry. Our commitment to employee training and development is driven through our own dedicated training department, with employees receiving the equivalent of almost 2 days training per person in 2008.

All our employees are expected to achieve appropriate health and safety and skills certification.

We offer work experience, apprenticeships and career openings at all levels through our close ties with educational establishments. Encouraging local new recruits is a particular priority. Graduates benefit from a professional development programme for those seeking industry qualifications. All our people are also encouraged to participate in professional and technical groups to improve their awareness and knowledge.

At Barhale we are committed to producing the industry leaders of tomorrow - not only within our business, but also the civil engineering industry as a whole.

### EMPLOYEE ENGAGEMENT

To improve how we communicate within Barhale we began a programme of "Chairman's Video messages" during 2008. These covered key topics, in particular helping all employees to understand our 3 Pillar Philosophy. The videos were delivered by a wide range of employees including our Chairman, Directors, senior managers and other employees who were interviewed on film giving them an opportunity to deliver key messages associated with the Three Pillars. As these have been well received within the business they will continue to be used during 2009.

### TIMES TOP 100 COMPANIES TO WORK FOR

As part of programme to benchmark itself against comparative businesses, Barhale entered the "Times Top 100 Companies to Work For" programme. This was Barhale's first attempt and we were pleased to receive a "One to Watch" nomination.

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# We make a positive contribution to the economic development of the communities in which we work through our policy of local recruitment and sourcing.

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## COMMUNITY

We make a positive contribution to the economic development of the communities in which we work through our policy of local recruitment and sourcing.

We actively support a wide range of charities and other groups in the communities in which we work, with financial donations and other resources. Whether it be the supply of new sports kits to local youth sports teams or encouraging our staff and operatives to participate in various fundraising events.



We fully recognise our responsibility as a business to help within our local communities and are only happy to do so. In 2008 the Board made the commitment that 2.5% of profit would be donated to support local communities in which we work.

Barhale have adopted the 'Code of Considerate Practice' from the Considerate Constructors Scheme, as the minimum standard against which we operate. The scheme provides us with a measure to demonstrate our care of the communities in which we work. Our belief and commitment to the standard is testified by our success in the 2008 CCS awards, where we achieved a Gold Medal three years ahead of our original target plus 2 Silver and 3 Bronze.

At the national awards ceremony one of our sites was described as:

**A superb ambassador for construction.**



